IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

C.W.P. No. 16617 of 2007

Date of Decision: 29.10.2007

Kewal Arora and others

....Petitioners.

Versus

State of Punjab and others

...Respondents.

CORAM:- HON'BLE MR. JUSTICE M.M. KUMAR.

HON'BLE MR. JUSTICE AJAY KUMAR MITTAL.

PRESENT: Mr. Gaurav Mohunta, Advocate for the petitioners.

M.M. KUMAR, J.

The petitioners in the instant petition have prayed for quashing of recovery certificate dated 21.3.2007 (P-8) issued under Section 32G of the State Financial Corporations Act, 1951 (for short "the Act").

The petitioners have admittedly availed term loan on 15.9.2000 and they defaulted in making repayment. Eventually, the Managing Director of the respondent-Corporation issued a recovery certificate exercising the powers under Section 32G of the Act for recovery of Rs.39,04,024/- with future interest at the rate of 19% w.e.f. 15.3.2006 along with miscellaneous expenses in terms of agreement of Bridge Loan and Bond of Guarantee dated 15.9.2000. The recovery

certificate was issued after associating the petitioners and hearing them. In pursuance of the recovery certificate, the amount is sought to be recovered from the collateral security which is a residential house measuring 12 marlas situated at Fatehgarh Churian, Tehsil Batala, District Gurdaspur.

Having heard the learned counsel for the petitioners, we find no legal infirmity in the impugned order. The order has been passed after due compliance of all the provisions of relevant statutes and it is thereafter only that recovery certificate has been issued. The dues have to be recovered by the respondent. No violation of any law has been pointed out warranting interference of this Court. Even otherwise there is no equity in favour of the petitioners. The writ petition fails and the same is dismissed.

(M.M.KUMAR)
JUDGE

October 29, 2007 **(AJAY KUMAR MITTAL)**
gbs **JUDGE**